

Palmer MFG. AND SUPPLY, INC.

March 14, 2017

Jack Palmer, CEO
Palmer MFG. AND SUPPLY, INC.
18 Bechtle Avenue
Springfield, Ohio 45504

Dear Committee:

At Palmer Manufacturing we make a wide-range of heavy duty foundry equipment serving the construction material & foundry supply chain.

Last year was our first year to qualify for the incumbent worker training program. The training helped us add a net 5 jobs last year. And we just qualified for 2017 so we are hoping to add a like number this year. However, 2017 is the last year of the program unless renewed.

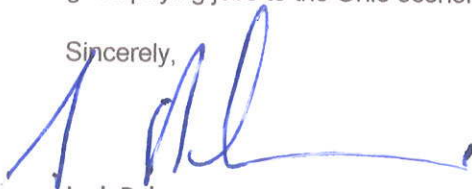
Let me tell you that having owned an advanced manufacturing company for nearly 40 years, this may be the most difficult labor market I have experienced. What is particularly frustrating is that we have pent-up demand for our products. In fact, I have scaled back some of my sales efforts, which is painful, but I don't want to overburden my existing staff. I simply can't afford to lose people when I need maybe half a dozen.

After talking with my peers in the industry, we have all concluded that the only way to get the specifically skilled workers needed to grow our business is to grow our own. This means investing in on-the-job training, but it can still take 6-months or 1 year before we start breaking even on a new worker. And adding one person means training two: train the new person and move the existing person to work on a more complex part of our operation. And in a capital-intensive business, it is challenging for us to invest those dollars even though we are a decently sized business with close to 40 employees and about \$10MM in revenue. The incumbent training program has enabled us to offset some of those costs. As a result, we were able to add more people than normal.

If this incumbent worker training program goes away, it will make it even harder for us in the advanced manufacturing industry to add the jobs to meet demand. And we are not alone, again everyone one of the people I have talked to in our industry is singing the same blues.

If you can find a way to continue to fund the program, it will enable companies like ours to add significant and good paying jobs to the Ohio economy.

Sincerely,



Jack Palmer